



भारत का राजपत्र The Gazette of India

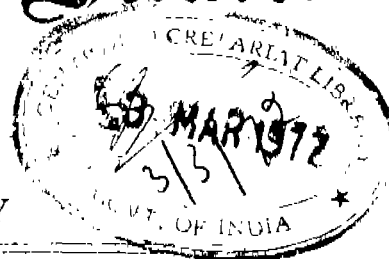
असाधारण
EXTRAORDINARY

भाग II—खण्ड 2

PART II—Section 2

प्राधिकार से प्रकाशित

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NEW DELHI, FRIDAY, NOVEMBER 26, 1971/AGRAHAYANA 5, 1893

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed
as a separate compilation.

LOK SABHA

The following Bills were introduced in Lok Sabha on the 26th November, 1971:—

BILL No. 143 OF 1971

A Bill further to amend the Visva-Bharati Act, 1951

BE it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Visva-Bharati (Amendment) Act, 1971. Short title and commencement.
 - (2) It shall be deemed to have come into force on the 3rd day of November, 1971.
 2. The Visva-Bharati Act, 1951 (hereinafter referred to as the principal Act), and the Statutes thereunder shall have effect subject to the amendments specified in this Act. Act 29 of 1951 to be amended.
 3. For section 19 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for section 19.
- The Samsad (Court),
- “19. (1) The Samsad (Court) shall consist of the following members, namely:—
- (a) the Acharya (Chancellor), *ex officio*;
 - (b) the Upacharya (Vice-Chancellor) and the other members of the Karma-Samiti (Executive Council), *ex officio*;
 - (c) the Artha-Sachiva (Treasurer), *ex officio*;
 - (d) two persons, being Professors of the University, to be nominated by the Paridarsaka (Visitor);
 - (e) two persons from among the teachers, other than the Professors, to be nominated by the Paridarsaka (Visitor);

(f) three representatives of Parliament, of which two to be nominated by the Speaker of the Lok Sabha from among the members thereof and one to be nominated by the Chairman of the Rajya Sabha from among the members thereof;

(g) ten persons to be nominated by the *Paridarsaka* (Visitor) from among persons who, in the opinion of the *Paridarsaka* (Visitor), are men of standing in public life or have special knowledge or practical experience in education or have rendered eminent services in the cause of education;

(h) two members of the Alumni Association to be nominated by the *Paridarsaka* (Visitor).

(2) Ten members, other than the *ex officio* members of the *Samsad* (Court), shall form the quorum for its meeting.

(3) Each member of the *Samsad* (Court), other than the *ex officio* members, shall hold office for a term of three years from the date on which he is nominated as its member.”.

Substitution of new section for section 21. Functions of the *Samsad* (Court)

4. For section 21 of the principal Act, the following section shall be substituted, namely:—

“21. The *Samsad* (Court) shall be an advisory body and shall—

(a) advise the *Paridarsaka* (Visitor) in respect of such matter as he may refer to it for advice;

(b) advise any authority of the University in respect of such matter as may be referred to it by such authority; and

(c) perform such other duties and exercise such other powers as may be assigned to it by or under this Act or the Statutes made thereunder or by the *Paridarsaka* (Visitor).”.

Amendment of section 22.

5. In section 22 of the principal Act, for the words “The *Karma-Samiti*”, the words “Subject to the control of the *Paridarsaka* (Visitor), the *Karma-Samiti*” shall be substituted.

Amendment of section 23.

6. In section 23 of the principal Act,—

(i) for the words “The *Karma-Samiti*”, the words “Subject to the control of the *Paridarsaka* (Visitor), the *Karma-Samiti*” shall be substituted; and

(ii) after clause (i), the following clause shall be inserted, namely:—

“(ia) shall regulate and enforce discipline among members of the teaching, administrative and ministerial staff of the University in accordance with the Statutes and the Ordinances;”.

Amendment of section 28.

7. In section 28 of the principal Act, for sub-sections (2) to (8), the following sub-sections shall be substituted, namely:—

“(2) The Statutes may be amended, repealed or added to by Statutes made by the *Karma-Samiti* (Executive Council).

(3) The *Karma-Samiti* (Executive Council) shall not propose the draft of any Statute affecting the status, powers or constitution of any

authority of the University until such authority has been given an opportunity of expressing the opinion upon the proposal and any opinion so expressed shall be in writing and shall be submitted to the *Paridarsaka* (Visitor).

(4) Every new Statute or addition to a Statute or any amendment or repeal of a Statute shall be submitted to the *Paridarsaka* (Visitor) who may assent to it or withhold his assent therefrom or remit it to the *Karma-Samiti* (Executive Council) for further consideration.

(5) A Statute passed by the *Karma-Samiti* (Executive Council) shall have no validity until it has been assented to by the *Paridarsaka* (Visitor)."

8. In section 30 of the principal Act,—

Amend-
ment of
section 30.

(i) in sub-section (3), the words "and the *Samsad* (Court), and shall be considered by the *Samsad* (Court), at its next succeeding meeting" shall be omitted;

(ii) for sub-sections (4) to (7), the following sub-sections shall be substituted, namely:—

"(4) Where the *Karma-Samiti* (Executive Council) has rejected the draft of an Ordinance proposed by the *Siksha-Samiti* (Academic Council), the *Siksha-Samiti* (Academic Council) may appeal to the *Paridarsaka* (Visitor) who may pass such orders thereon as he thinks fit.

(5) All Ordinances made by the *Karma-Samiti* (Executive Council) shall be submitted, as soon as may be, to the *Paridarsaka* (Visitor) who may disallow any such Ordinance or remit it to the *Karma-Samiti* (Executive Council) for further consideration.

(6) The *Paridarsaka* (Visitor) may, by order, direct that the operation of any Ordinance shall be suspended until he has had an opportunity of exercising his power of disallowance, and any order of suspension under this sub-section shall cease to have effect on the expiration of one month from the date of such order."

9. For section 35 of the principal Act, the following section shall be substituted, namely:—

Substitu-
tion of
new sec-
tion for
section 35.

"35. The annual report of the University shall be prepared under the direction of the *Karma-Samiti* (Executive Council) and shall be submitted to the *Paridarsaka* (Visitor) on or before such date as may be prescribed by the Statute."

Annual
reports.

10. In section 36 of the principal Act,—

(i) in sub-section (3), the words "the *Samsad* (Court) and to" shall be omitted; and

Amend-
ment of
section 36.

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) The annual accounts and the financial estimates shall be considered by the *Paridarsaka* (Visitor) who may communicate his views to the *Karma-Samiti* (Executive Council) which shall

take them into consideration and take such action thereon as it thinks fit or inform the *Paridarsaka* (Visitor) when no action is taken, of its reasons therefor.”.

Substitution of new section for Section 41. Removal from membership of the University.

11. For section 41 of the principal Act, the following section shall be substituted, namely:—

“41. The *Karma-Samiti* (Executive Council) may, on the recommendation of not less than two-thirds of its members remove any person from the membership of any authority or board of the University if such a person is guilty of a serious offence involving moral turpitude, or if he has been guilty of scandalous conduct and for the same reasons may withdraw any degree or diploma conferred on, or granted to, any person by the University:

Provided that no action shall be taken under this section against any person except after giving him a reasonable opportunity of being heard with regard to the proposed action.”.

Amendment of Statutes.

12. Notwithstanding anything contained in the principal Act, the Statutes of the University shall stand amended as follows:—

(i) in Statute 3, after clause (2), the following clause shall be inserted, namely:—

“(2A) When the *Upacharya* (Vice-Chancellor) by reason of leave or absence or any other cause is unable to perform the duties of his office, the current duties of the *Upacharya* (Vice-Chancellor) shall be performed,—

(a) in the case of leave or absence for more than thirty days, by such Professor as the *Karma-Samiti* (Executive Council) may appoint for the purpose on the recommendation of the *Upacharya* (Vice-Chancellor);

(b) in the case of leave or absence for a period not exceeding thirty days, by such teacher or an officer as the *Upacharya* (Vice-Chancellor) may appoint for the purpose.”;

(ii) in Statute 7, after item (2), the following item shall be inserted, namely:—

“(3) Dean of Student Welfare.”;

(iii) after Statute 9, the following Statute shall be inserted, namely:—

“9A. Dean of Student Welfare

(1) The Dean of Student Welfare shall be appointed, from amongst the employees of the University who are or who have been teachers of the University, by the *Karma-Samiti* (Executive Council) on the recommendation of the *Upacharya* (Vice-Chancellor).

(2) The Dean of Student Welfare shall exercise such powers and perform such duties either whole-time, or, depending upon the need of the University, part-time, accordingly as the *Karma-Samiti* (Executive Council) may, on the recommendation of the *Upacharya* (Vice-Chancellor), direct.

(3) The period and terms of the appointment of the Dean of Student Welfare shall be determined by the *Karma-Samiti* (Executive Council).”;

(iv) Statutes 10 and 11 shall be omitted;

(v) for Statute 13, the following Statute shall be substituted, namely:—

“13. The Karma-Samiti (Executive Council)

(1) The *Karma-Samiti* (Executive Council) shall consist of the following members, namely:—

(a) the *Upacharya* (Vice-Chancellor), *ex officio*;

(b) seven persons of whom not more than four shall be Professors of the University, to be nominated by the *Paridarsaka* (Visitor); and

(c) one person to be nominated by the *Pradhana* (Rector) of the University.

(2) Five members of the *Karma-Samiti* (Executive Council) shall form the quorum for its meeting.

(3) Each member of the *Karma-Samiti* (Executive Council), other than the *Upacharya* (Vice-Chancellor), shall hold office for a term of three years from the date on which he is nominated as its member.”;

(vi) for Statute 14, the following Statute shall be substituted, namely:—

“14. The Siksha-Samiti (Academic Council)

(1) The *Siksha-Samiti* (Academic Council) shall consist of the following members, namely:—

(a) the *Upacharya* (Vice-Chancellor), *ex officio*;

(b) *Chatra-Parichalaka* (Proctor), *ex officio*;

(c) *Granthagarika* (Librarian), *ex officio*;

(d) Head of the *Palli-Samgathan Vibhaga*, *ex officio*;

(e) fifteen teachers of the University to be nominated by the *Paridarsaka* (Visitor); and

(f) two persons, not being employees of the University, to be nominated by the *Paridarsaka* (Visitor) for their specialised knowledge.

(2) Eight members of the *Siksha-Samiti* (Academic Council) shall form the quorum for its meeting.

(3) Each member of the *Siksha-Samiti* (Academic Council), other than the *ex-officio* members shall hold office for a term of three years from the date on which he is nominated as its member.”;

(vii) for Statute 16, the following Statute shall be substituted, namely:—

“16. The Artha-Samiti (Standing Finance Committee)

(1) The *Artha-Samiti* (Standing Finance Committee) shall consist of the following members, namely:—

(a) the *Upacharya* (Vice-Chancellor), *ex officio*;

(b) two persons to be nominated by the *Paridarsaka* (Visitor);

(c) one Professor of the University to be nominated by the *Karma-Samiti* (Executive Council); and

(d) the *Artha-Sachiva* (Treasurer), who shall be the Secretary thereof.

(2) Four members of the *Artha-Samiti* (Standing Finance Committee) shall form the quorum for its meeting.

(3) Each member of the *Artha-Samiti* (Standing Finance Committee), other than the *Upacharya* (Vice-Chancellor), shall hold office for a period of three years from the date on which he is nominated as its member.”;

(viii) for Statute 19, the following Statute shall be substituted, namely:—

“19. Patha-Samitis (Boards of Studies)

(1) There shall be separate *Patha-Samitis* (Boards of Studies) for each of the following, namely:—

(i) school studies;

(ii) each subject of the—

(a) under-graduate studies, and

(b) post-graduate studies.

(2) The constitution of such *Patha-Samitis* (Boards of Studies) shall be such as may be prescribed by Ordinances.

(3) It shall be the duty of each *Patha-Samiti* (Board of Studies) to make recommendations to the *Siksha-Samiti* (Academic Council) regarding—

(i) courses and syllabi of studies and text-books for its subject or subjects with which it is concerned;

(ii) fellowships, scholarships, medals and prizes in the subject or subjects with which it is concerned;

(iii) combination of subjects permitted in the various courses; and

(iv) the names of examiners.”;

(ix) after Statute 19, the following Statute shall be inserted, namely:—

“19A. Adhyakshas (Principals) of Colleges

(1) There shall be an *Adhyaksha* (Principal) for each College.

(2) Each Professor within the College shall, by rotation according to seniority, act as the *Adhyaksha* (Principal) of the College for a period of two years:

Provided that if there is no Professor in the College, a senior teacher shall be asked by the *Upacharya* (Vice-Chancellor) to act as the *Adhyaksha* (Principal) till such time as a Professor is appointed:

Provided further that the *Upacharya* (Vice-Chancellor) may on the written request of the Professor or senior teacher, as the case may be, exempt such Professor or teacher from having to work as the *Adhyaksha* (Principal) or accept the resignation of an *Adhyaksha* (Principal) during the tenure of his office as such, if the *Upacharya* (Vice-Chancellor) is satisfied with the reasons given by him for such resignation.

Explanation.—For the purpose of this Statute, a Professor shall be senior to a Reader and a Reader shall be senior to a Lecturer.

(3) For the purpose of this Statute, there shall be maintained separate common seniority lists, respectively in relation to the Professors, Readers and Lecturers working in the various colleges of the University.

(4) If a question arises as to the seniority of any Professor, Reader or Lecturer, as the case may be, the same shall be determined by the *Karma-Samiti* (Executive Council).";

(x) in Statute 21, in clause (2), sub-clause (d) shall be omitted;

(xi) in Statute 22, in clause (2), the words "approval of two-thirds of the members present at any meeting of the *Samsad* (Court) and the" shall be omitted;

(xii) after Statute 46, the following Statute shall be inserted, namely:—

"47. Maintenance of discipline amongst students of the University

(1) All powers relating to discipline and disciplinary action in relation to students of the University shall vest in the *Upacharya* (Vice-Chancellor).

(2) The *Upacharya* (Vice-Chancellor) may delegate such of his powers as he deems proper to the *Chatra-Parichalaka* (Proctor) and to such other persons as he may specify in this behalf and the powers so delegated shall be exercised under the direction, supervision and control of the *Upacharya* (Vice-Chancellor).

(3) Without prejudice to the generality of his powers relating to the maintenance of discipline and the taking of such action in the interests of maintenance of discipline as may seem to him appropriate the *Upacharya* (Vice-Chancellor) may, in the exercise of his powers aforesaid order or direct that any student or students be expelled, or be, for a stated period, rusticated, or be not, for a stated period, admitted to a course or courses of study or be fined in a sum of rupees that may be specified or be debarred from taking examination or examinations for one or more years or that the results of student or students concerned in the examination or examinations in which he or they have appeared, be cancelled.

(4) Without prejudice to the powers of the *Upacharya* (Vice-Chancellor) and the *Chatra-Parichalaka* (Proctor) as aforesaid, detailed rules of discipline and proper conduct shall be framed by the University."

Transi-
tional
provi-
sions.

13. (1) Every person holding office as a member of the *Samsad* (Court), *Karma-Samiti* (Executive Council), *Siksha-Samiti* (Academic Council), *Artha-Samiti* (Standing Finance Committee) or a *Patha-Samiti* (Board of Studies), as the case may be, immediately before the commencement of this Act shall, on and from such commencement, cease to hold office as such:

Provided that where any such person held, immediately before such date, any other office in the University, nothing contained in this sub-section shall be construed as affecting his continuance in such other office.

(2) Until the *Samsad* (Court), *Karma-Samiti* (Executive Council), *Siksha-Samiti* (Academic Council), *Artha-Samiti* (Standing Finance Committee) or a *Patha-Samiti* (Board of Studies), as the case may be, is constituted in accordance with the provisions of the principal Act as amended by this Act or the Statutes as modified by this Act, the *Paridarsaka* (Visitor) may, by general or special order, direct any officer of the University to exercise the powers and perform the duties conferred or imposed by or under the principal Act as so amended or the Statutes as so modified on the *Samsad* (Court), *Karma-Samiti* (Executive Council), *Siksha-Samiti* (Academic Council), *Artha-Samiti* (Standing Finance Committee) or the *Patha-Samiti* (Board of Studies), as the case may be.

Repeal
and
savings.

14. (1) The Visva-Bharati (Amendment) Ordinance, 1971, is hereby repealed.

Ord. 22
of 1971.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance so repealed, shall be deemed to have been done or taken under the corresponding provisions of this Act.

STATEMENT OF OBJECTS AND REASONS

Of late disquieting reports have been received about the incidents of violence and intimidation in the Campus of Visva-Bharati. From November, 1970, there have been several cases of arson, stabbing and indiscipline resulting in heavy damage to equipment, property, fittings and furniture of the various buildings and in the death of an Office Superintendent of the University. The University had also to face serious difficulties in its day-to-day working on account of the negative attitude adopted by certain persons. All this has vitiated the academic life of the University, and has seriously affected the smooth working of its administration.

2. The Acts of all the Central Universities are being reviewed in the light of the recommendations made by the Gajendragadkar Committee on Governance of Universities. It will, however, take some time before a comprehensive bill on the restructuring of the various authorities and bodies of Visva-Bharati is introduced in the Parliament. With a view to keeping the University free from violence and destructive activities, and maintaining its academic and intellectual character, an immediate change in the administrative set up of the University became an urgent necessity. Accordingly, an Ordinance further to amend the Visva-Bharati Act, 1951 (Ordinance No. 22 of 1971) was promulgated by the President on the 3rd November, 1971, for effecting a change in the administrative set up of the University. The Bill seeks to replace the said Ordinance.

S. NURUL HASAN.

NEW DELHI;

The 12th November, 1971.

BILL No. 141 OF 1971

A Bill to provide for the acquisition of the shares of the Jayanti Shipping Company Limited in order to serve better the shipping needs of the nation and to facilitate the promotion and development, in the interests of the general public, of national shipping and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short
title
and com-
mence-
ment.

1. (1) This Act may be called the Jayanti Shipping Company (Acquisition of Shares) Act, 1971.

(2) It shall be deemed to have come into force on the 17th day of October, 1971.

Defini-
tions.

2. In this Act, unless the context otherwise requires,—

(a) “appointed day” means the date of commencement of this Act;

(b) "company" means the Jayanti Shipping Company Limited, being a company as defined in the Companies Act, 1956, having its registered office at Bombay;

(c) "shareholder" means a person, who, immediately before the appointed day, was registered as a shareholder in the capital of the company;

(d) "Shipping Corporation of India" means the Shipping Corporation of India Limited, being a Government company as defined in the Companies Act, 1956, having its registered office at Bombay;

(e) words and expressions used but not defined in this Act and defined in the Companies Act, 1956, shall have the meanings respectively assigned to them in that Act.

CHAPTER II

ACQUISITION OF SHARES OF THE COMPANY

3. (1) On the appointed day,—

(a) all shares in the capital of the company shall, by virtue of this Act, be deemed to be transferred to and vested in the Central Government free from all trusts, liabilities and encumbrances; and

(b) as compensation therefor the Central Government shall, in accordance with the provisions of section 4, pay to the shareholders the sum of rupees four crores and fifty lakhs only in the aggregate.

Vesting of shares of company in Central Government and compensation therefor.

(2) For the removal of doubts it is hereby declared that the transfer and vesting of shares effected under clause (a) of sub-section (1) shall not be deemed to affect any right of the company subsisting immediately before the appointed day against any shareholder to recover from him any sum of money on the ground that the shareholder has not paid or credited to the company the whole or any part of the value of the shares held by him or on any other ground whatsoever.

4. (1) The amount of compensation payable under clause (b) of sub-section (1) of section 3 to the shareholders shall be apportioned among the shareholders according to the number of shares held by such shareholders.

Apportionment and manner of payment of compensation.

(2) The amount of compensation payable to a shareholder in accordance with the provisions of sub-section (1) shall be given to him, at his option—

(a) in cash (to be paid by cheque drawn on the Reserve Bank of India) in three equal annual instalments, the amount of each instalment carrying interest at the rate of four per cent. per annum from the appointed day, or

(b) in saleable or otherwise transferable promissory notes or stock certificates of the Central Government issued and repayable at par, and maturing at the end of—

(i) ten years from the appointed day and carrying interest from that day at the rate of four and a half per cent. per annum,

or

1 of 1956.

1 of 1956.

(ii) thirty years from the appointed day and carrying interest from that day at the rate of five and a half per cent. per annum, or

(c) partly in cash (to be paid by cheque drawn on the Reserve Bank of India) and partly in such number of securities specified in sub-clause (i) or sub-clause (ii), or both, of clause (b), as may be required by the shareholder, or

(d) partly in such number of securities specified in sub-clause (i) of clause (b) and partly in such number of securities specified in sub-clause (ii) of that clause, as may be required by the shareholder.

(3) The first of the three equal annual instalments referred to in clause (a) of sub-section (2) shall be paid, and the securities referred to in clause (b) of that sub-section shall be issued, within sixty days from the date of receipt by the Central Government of the option referred to in that sub-section, or where no such option has been exercised, from the latest date before which such option ought to have been exercised.

(4) The option referred to in sub-section (2) shall be exercised by a shareholder before the expiry of a period of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the shareholder allow) and the option so exercised shall be final and shall not be altered or rescinded after it has been exercised.

(5) If a shareholder omits or fails to exercise the option referred to in sub-section (2), within the time specified in sub-section (4), he shall be deemed to have opted for payment in securities specified in sub-clause (i) of clause (b) of sub-section (2).

(6) Notwithstanding anything contained in this section, a shareholder may, before the expiry of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the shareholder, allow) make an application in writing to the Central Government for—

(a) the full payment of the compensation payable to him, if the compensation payable to him does not exceed rupees two lakhs; or

(b) an interim payment of an amount equal to seventy-five per cent. of the face value of the shares in respect of which compensation is payable to him, or rupees two lakhs, whichever is greater, if the compensation payable to him exceeds rupees two lakhs,

indicating in such application whether the payment is desired in cash or in securities specified in sub-section (2), or in both.

(7) The Central Government shall, within sixty days from the receipt of the application referred to in sub-section (6), make the full payment or, as the case may be, the interim payment to the shareholder in accordance with the option indicated in such application.

(8) The interim payment made to a shareholder under sub-section (7) shall be set off against the total amount of compensation payable to him under this Act and the balance of the compensation remaining outstanding after such payment shall be given to the shareholder in accordance with the option exercised, or deemed to have been exercised, under sub-section (4) or sub-section (5), as the case may be:

Provided that where any part of the interim payment is obtained by the shareholder in cash, the payment so obtained shall be set off, in the first instance, against the first instalment of the cash payment referred to in sub-section (2), and in case the payment so obtained exceeds the amount of the first instalment, the excess amount shall be adjusted against the second instalment and the balance of such excess amount, if any, against the third instalment of the cash payment.

(9) If any dispute arises as to the person entitled to receive the compensation payable in respect of any share, the Central Government shall deposit the amount of such compensation in the court for being paid to the person or persons entitled to be paid.

CHAPTER III

MANAGEMENT OF COMPANY

5. (1) All the shares of the company vested in the Central Government by virtue of this Act, except one hundred thereof, shall immediately after they have so vested, stand transferred to and vested in the Shipping Corporation of India.

Allocation of shares to Shipping Corporation of India and certain other persons.

(2) The Central Government may by order transfer the remaining shares to such persons as may be specified in the order to enable the company to function as a Government company.

(3) On the transfer of shares to the Shipping Corporation of India under sub-section (1) or to any person under sub-section (2), the company shall forthwith register each transferee as a member of the company.

(4) The amount paid by the Central Government for the acquisition of the shares which stand transferred to and vested in the Shipping Corporation of India under sub-section (1) shall be deemed to be the contribution by the Central Government to the equity capital of that Corporation and that Corporation shall issue (if necessary, after amending its memorandum and articles of association) to the Central Government paid-up shares in its capital for a corresponding amount.

6. For the purpose of enabling the company to function as a Government company, the Central Government may, by notification published in the Official Gazette, make such amendments in the memorandum and articles of association of the company as it may consider necessary.

Amendment of memorandum and articles of association of company.

7. (1) Notwithstanding anything contained in the Companies Act, 1956, or in the memorandum or articles of association of the company, on and from the appointed day and till a new Board of directors of the company is duly constituted, the persons specified in the Schedule shall be the directors of the company and shall constitute the Board of directors of the company.

Interim management of company.

(2) If any vacancy arises in the Board of directors specified in the Schedule, it shall be filled by the Central Government in such manner as it thinks fit and thereupon the Schedule shall be deemed to be amended accordingly.

(3) No act or proceeding of the Board of directors specified in the Schedule shall be invalid merely by reason of the existence of any vacancy in the membership of the Board.

CHAPTER IV

MISCELLANEOUS

Directors,
etc., not
entitled to
compensation.

8. Notwithstanding anything contained in any law for the time being in force, no director or managerial personnel specified in section 197A of the Companies Act, 1956, or other person entitled to manage the whole or a substantial part of the business and affairs of the company under a special agreement or otherwise shall be entitled to any compensation against the company or the Central Government for the loss of office or for the premature termination of any contract of management entered into by him with the company whether such loss or termination was due to the provisions of the Jayanti Shipping Company (Taking Over of Management) Act, 1966 or this Act.

1 of 1956.

24 of 1966.

Contracts
in bad
faith, etc.,
may be
cancelled
or varied.

9. The company may, within three years from the appointed day, make an application to any court having jurisdiction in this behalf for the purpose of cancelling or varying any contract or agreement entered into, at any time before the issue of the notified order under sub-section (1) of section 3 of the Jayanti Shipping Company (Taking Over of Management) Act, 1966, between the company and any other person and the court may, if satisfied after due inquiry that such contract or agreement had been entered into in bad faith and is detrimental to the interests of the company, make an order cancelling or varying (either unconditionally or subject to such conditions as it may think fit to impose) that contract or agreement, and the contract or agreement shall have effect accordingly.

24 of 1966.

Duty to
deliver
possession
of property
of company
and documents
relating
to company.

10. Any person who has in his possession, custody or under his control any property of, or any books, documents or other papers relating to the property and assets of, the company, including any letters, memoranda, notes or other communications between him and the company, shall be liable to account for the said property, books, documents and other papers (including such letters, memoranda, notes or other communications) to the company and shall deliver them up to the company or to such other person as may be authorised for the purpose by the company.

Powers of
inspection.

11. (1) For the purpose of ascertaining whether any property is the property of the company or for any other purpose mentioned in this Act or the rules made thereunder, any person authorised by the Central Government in this behalf shall have the right to—

(a) enter and inspect any premises;

(b) require any person having the possession, custody or control of any register or record of the company to produce such register or record;

(c) require the occupier of any property belonging to, or claimed to be the property of, the company, to submit to the person so authorised such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary; and

(d) examine any person having the control of, or employed in connection with, the company and require him to make any statement touching the affairs of the company.

(2) Any person authorised by the Central Government under subsection (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

12. (1) If any person,—

(a) when required by this Act or by any order under this Act to make any statement or furnish any information, makes any statement or furnishes any information which is false in any material particular and which he knows or believes to be false or does not believe to be true; or

Penalty for
false
state-
ments.

(b) makes any such statement as aforesaid in any book, account, record, return or other document which he is required by any order made under this Act to submit,

he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

(2) Any person, who—

(a) having in his possession, custody or control any property forming part of the assets of the company, wrongfully withholds such property from the company, or any person authorised by the company, or

(b) wrongfully obtains possession of any property forming part of the assets of the company, or

(c) wilfully withholds or fails to produce to any person authorised under this Act, any register, record or other document which may be in his possession, custody or control, or

(d) fails, without any reasonable cause, to submit any accounts, books or other documents, when required to do so,

shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

13. No court shall take cognizance of an offence under this Act except with the previous sanction of the Central Government or of an officer authorised by that Government in this behalf.

Limitation
on prosecu-
tion.

14. The provisions of this Act or any notification, order or rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any law other than this Act or in any instrument having effect by virtue of any law other than this Act or in any order made by a civil court.

Act
to have
over-
riding
effect.

15. No suit, prosecution or other legal proceeding shall lie against the Central Government or the Shipping Corporation of India or any officer or other employee serving in connection with the affairs of the company for anything which is in good faith done or intended to be done under this Act.

Protec-
tion of
action
taken
under this
Act.

Power to
make
rules.

16. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to
remove
difficulties.

17. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order as occasion requires, do anything (not inconsistent with the provisions of this Act) which appears to it to be necessary for the purpose of removing the difficulty :

Provided that no such order shall be issued after the expiration of two years from the appointed day.

Repeals
and
saving.

18. (1) The Jayanti Shipping Company (Taking Over of Management) Act, 1966, is hereby repealed.

24 of 1966.

(2) The Jayanti Shipping Company (Acquisition of Shares) Ordinance, 1971, is hereby repealed:

14 of 1971.

Provided that notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provision of this Act.

THE SCHEDULE

[See section 7(1)]

Name (1)	Designation and address (2)
<i>Chairman of the Board of Directors and Managing Director of the Company</i>	
Shri C. P. Srivastava	Chairman, Shipping Corporation of India Ltd., Bombay.
<i>Directors of the Company</i>	
Shri P. N. Jain	Joint Secretary, Ministry of Finance, New Delhi.
Shri P. N. Mathur	General Manager, Central Railway, Bombay.
Shri J. A. Dave	Managing Director, Food Corporation of India, New Delhi.
Shri Jasjit Singh	Member, Central Board of Excise and Customs, Ministry of Finance (Department of Revenue), New Delhi.
Shri Kamaljit Singh	Managing Director, Indian Oil Corporation Ltd., Bombay.
Shri B. P. Srivastava	Director (Projects), Ministry of Shipping and Transport, New Delhi.

STATEMENT OF OBJECTS AND REASONS

The management of the Jayanti Shipping Company was taken over by the Central Government on the 10th June, 1966, under an Ordinance following serious complaints against the then management. The Ordinance was replaced by the Jayanti Shipping Company (Taking Over of Management) Act, 1966. The Shipping Corporation of India Ltd., an undertaking wholly owned by the Central Government were appointed managing agents of the Jayanti Shipping Company Ltd. The new management was able to restore sound working of the company and the finances of the company showed constant improvement during the period 1966—71. In enabling the Jayanti Shipping Company to revive, the Shipping Development Fund Committee, a statutory body set up under the Merchant Shipping Act, 1958, also played a significant role.

2. The new management of the company found during investigations into the past affairs and financial dealings of the company that large amount of funds belonging to the Jayanti Shipping Company Ltd., had been misappropriated by the major shareholders and had to file civil suits in India and abroad to recover these amounts. Further, the fleet of the company, which was operated by the new management profitably during 1966—71 was becoming aged and the future profitability of the company could be ensured only by taking suitable measures for expanding the fleet of the company. In the circumstances, the future expansion and continued profitable management of the assets could be achieved only by ensuring ownership of the company in proper hands. This has been felt to be necessary not only from the point of view of the company but also the larger and pressing interests of national shipping Government, therefore, decided to acquire all the shares of the Jayanti Shipping Company Limited.

3. As Parliament was not in session, an Ordinance called the Jayanti Shipping Company (Acquisition of Shares) Ordinance, 1971, was promulgated by the President on the 17th October, 1971. The Bill seeks to replace the Ordinance.

NEW DELHI;

The 13th November, 1971.

RAJ BAHADUR.

PRESIDENTS RECOMMENDATION UNDER ARTICLE 117 OF THE
CONSTITUTION OF INDIA

[Copy of letter No. 32-MD(12)/71-I, dated the 16th November, 1971 from Shri Raj Bahadur, Minister of Parliamentary Affairs and Shipping and Transport to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the Bill to provide for acquisition of shares of the Jayanti Shipping Company Limited in order to serve better the shipping needs of the nation and to facilitate the promotion and development, in the interests of the general public, of national shipping and for matters connected therewith or incidental thereto, recommends, under clauses (1) and (3) of article 117 of the Constitution of India, the introduction and consideration of the said Bill in the Lok Sabha.

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for the transfer to and the vesting in of all shares in the capital of the Jayanti Shipping Company in the Central Government and for the payment of compensation of a sum of Rs. 4.5 crores to the shareholders. Clause 4 provides that the compensation payable shall be apportioned among the shareholders according to the number of shares held by the shareholders. The clause also provides for the manner in which the compensation shall be disbursed among the shareholders. At the option of the shareholder, the compensation due to him may be paid in cash in three equal annual instalments or in securities carrying interest or partly in cash and partly in securities. Further, any shareholder can make an application in writing to the Central Government for: (a) the full payment of compensation payable to him if the compensation payable to him does not exceed Rs. 2 lakhs; or (b) an interim payment of an amount equal to 75 per cent. of the face value of shares in respect of which compensation is payable to him or Rs. 2 lakhs, whichever is greater, if the compensation payable to him exceeds Rs. 2 lakhs.

Clause 5 of the Bill envisages that all but 100 shares of the Jayanti Shipping Company shall vest in the Shipping Corporation of India. Sub-clause (4) of the said clause provides that the amount of compensation paid for the acquisition of shares so transferred to the Shipping Corporation of India shall be deemed to be the contribution by the Central Government to the equity capital of that Corporation and that the Shipping Corporation of India shall issue to the Central Government paid-up shares in its capital for a corresponding amount.

The primary expenditure that will be incurred as a result of the afore-mentioned provisions of the Bill will be Rs. 4.5 crores payable by way of compensation. If, as permitted under clause 4 of the Bill, any portion of the compensation is paid in instalments or in securities, additional amounts will have to be paid by way of interest. It is not possible to estimate at this stage the amounts that may have to be paid by way of interest for that will depend on the manner in which various shareholders may exercise their options to receive compensation.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 16 of the Bill seeks to confer on the Central Government general rule-making power for carrying out the purposes of the Act and rules under the provision would pertain to matters of detail or procedure. The delegation of legislative power involved is, therefore, of a normal character.

S. L. SHAKDHER,
Secretary.